

City of Round Rock  
City Council Work Session  
February 17, 2010

---

The Round Rock City Council met in Work Session on Wednesday, February 17, 2010, at the United Heritage Center – Round Rock Room at 3400 Palm Valley Boulevard.

CALL SESSION TO ORDER – 7:30 A.M.

Mayor McGraw called the meeting to order at 7:42 a.m.

ROLL CALL: Those members present were Mayor Alan McGraw, Mayor Pro-Tem Joe Clifford, Councilmember Rufus Honeycutt, Councilmember George White, Councilmember Carlos T. Salinas, Councilmember John Moman and Councilmember Kris Whitfield. Also present were City Manager Jim Nuse, Assistant City Manager Cindy Demers, and City Attorney Steve Sheets.

WORK SESSION:

3A. Consider opening remarks by the City Manager.

Jim Nuse, City Manager opened the meeting with remarks concerning the financial crisis and the strategic plan and how important and critical these two items are to the City. He discussed some fundamental changes that will have to be made to the City's budget due to declines in sales tax revenues. Mr. Nuse also briefly touched what all will be covered in the retreat.

3B. Consider a presentation and discussion regarding the following topics:

1. Economic Outlook, FY 2010 – 2011 Annual Budget and Long Term Financial and Operational Plan: Cindy Demers, Assistant City Manager began the discussion regarding the 2010-2011 budget. She stated that we are not trying to balance the budget at this meeting, but kick off the discussion and the fundamental changes that need to take place. Ms. Demers stated that our biggest challenge is going to be the long term plan going into the future and briefly went over what Cheryl Delaney, Finance Director will cover in her presentation. As a review for the City Council, Ms. Demers went over the City's bond rating, sales tax and property tax information and reminded everyone that Round Rock is one of the most sales tax-reliant cities in the state and has one of the lowest property tax rates in the state.

Cheryl Delaney, Finance Director began her presentation with an Economic Outlook for the US and then moved on the Round Rock. She briefly covered some City economic indicators, such as property values are expected to decline, sales tax revenues continue to decline. She then went over some key economic indicators and started with taxable property values. The Chief appraiser has stated that for FY2010 the City's assessed value will be around \$82M and they are estimating a 6% decline for FY2011 and another 1% decline in FY2012. She also stated that residential and commercial building activity continues to decline and went over the amount of building permits issued in the last 11 years. Ms. Delaney then moved on to property taxes and compared the City of Round Rock property taxes to

other cities in the area, as well as population estimates until 2015. Sales tax revenues and projects were discussed next and Ms. Delaney went into detail about how projections were developed. She also went over the makeup of city sales tax revenue and showed comparisons of 2009 to 2008. After reviewing latest sales tax numbers, Ms. Delaney went over the financial outlook for FY2010 to FY2016.

Ms. Delaney then went on to reiterate what Ms. Demers stated earlier that we are not here to balance the budget, but to develop and long-term financial stability and consider the following strategies: Continue strategy to manage balance of sales tax and property tax reliance, continue economic diversification strategy and identify and implement operational efficiencies and best business practices, reviewing levels of service we provide, identify opportunities for cost recovery (fees), maintain strong fund balance position, debt service management, pay-as-you-go capital program (self-financed construction) and implementation of strategic plan (quality of life for citizens).

The Council recessed for a short break at 9:15 a.m. and reconvened at 9:26 a.m.

After the break, Ms. Delaney started going over FY2010 tools that staff is using to help develop a strong financial strategy. These include but are not limited to the seal coat program, reduced Dell payment and aggressive expense management which include open positions and operation and capital expense management. In looking at FY201 and beyond, staff will be looking at best practices (to meet the need of a specific business purpose as well as items that we should be doing anyway), as well as efficiencies – identifying ways to work more effectively, reduce expenses, doing more with less, opportunities for job enrichment and cross training for employees (job flexing). Ms. Delaney then went over specifics of the best practices staff is considering and then moved on to the details of the efficiencies being considered. The FY2011 budget challenges have been identified as the following: Manage balance of sales tax and property tax reliance, reallocate drainage utility expenses to separate fund, sales tax performance, pay for performance program, service level impacts, and maintaining current service levels (identify ways to cut costs). Ms. Delaney then went over some current assumptions for FY2011 that include no employee salary performance increases included, no inflation and no use of fund balance, just to name a few.

Will Hampton, Communications Director took over the discussion and went over some of the questions on the biennial survey that deal with service levels.

Cindy Demers, Assistant City Manager then began a presentation regarding cross functional analysis and led into a presentation by Tom Word, Chief of Public Works Operations regarding a re-organization of the Public Works departments. He noted that this process was started with the idea of

being more efficient and then when the budget crisis hit, it reinforced the need to do this even more. He began with efficiencies identified with equipment and then went into how the departments are organized today (with each department – Utilities, Transportation, EDS – doing planning, building and operate/maintain functions) and what the future of the public works will look like, organized by planning activities, building activities and operate/maintain with people flexing their job duties as necessity arises. This will result in more efficiency, less staffing, level workloads, etc. Mr. Word then presented the draft of the new organizational chart for Public Works and answered questions posed by the City Council.

The Council recessed for lunch at 11:41 a.m. and reconvened at 12:10 p.m.

Chief Bryan Williams began the afternoon session with the Round Rock Police Department's makeup. He began with their mission and core business functions and reviewed the department's organization chart and annual budget make up. Next he covered the public safety functions of the police department, quality-of-life functions, community alliance functions, as well as legislatively mandated functions, charter and ordinance mandated functions, and CALEA-Mandated Functions. Chief Williams then went over unfunded mandates that the City must follow and then went over Round Rock crime statistics and trends while answering questions posed by the City Council. Chief Williams also covered the areas of the Police Department that they were able to privatize and use volunteers and the department's recent efficiencies/effectiveness gains. These include hiring process improvements, changes in take-home vehicle policy, direct-file process for DA office, report-takers, investigative techs, parolee review and reporting to officers, shift personnel to address service demand issues, Response to Resistance (RTROA) training, and reassignment of low-mileage vehicles to extend useful overall life of the fleet, fit-for-duty policy, improvements in disposal of evidence, retirees to assist in monitoring sex offenders and coordinate volunteers, shift personnel assignments, and e-ticket system. He also covered some items that the department is NOT doing, but should which include but not limited to develop a formal repeat offenders/warrant service program, develop a formal commercial vehicle enforcement program, staff assignment to JTTF, develop on-site training facility, assist the City to ensure "target hardening" of City assets, develop a proactive system of providing a police presence in City parks and recreation activities, collaborate with local and state agencies to develop and maintain an integrated traffic system utilizing camera system to monitor traffic progression as funding becomes available, and outdoor alert system.

Rick Atkins, Parks and Recreation Director then presented on the mission and focus of the Parks and Recreation Department. He also covered the many different services of PARD, staff makeup and organizational charts. He stated that the City of Round Rock Parks and Recreation Department is set up similar to many other Parks and Recreation Departments in cities of similar size. Mr. Atkins then covered mandated functions of the Parks and Recreation department.

2. Drainage Utility Systems:

Alysha Girard, Assistant City Engineer began the presentation regarding drainage utility and the storm water program services. She went through the storm water strategic plan and storm water cost drivers and budget impacts of the mandate. She then went over the advantages of the drainage utility and stated that this creates a stable and dedicated funding source to enable continued compliance and proactive maintenance. Currently there are 60 cities with drainage utilities. She then went through examples of impervious cover fees comparison and how the utility program would work. Alysha also went over a proposed implementation schedule for 2010 and asked the Council for guidance on whether to pursue this utility or not.

3. Recycling Plan Update:

Michael Thane, Utilities Director made the presentation and started with some background on curbside recycling. Mr. Thane then went over the current trash and recycling program and the proposed program in addition to comparisons with other area cities. He also went over results of the recycling pilot program. Mr. Thane and Ralph Rocco, from Round Rock Refuse answered questions posed by the City Council. The direction staff received is to work up a recycling plan with trash pickup once a week and recycling pick up once a week with two 96 gallon containers provided for a cost of \$16.71 a month.

With the unanimous consent of the Council, item 5 was moved up and considered out of the regular order of the agenda.

5. Strategic Plan Update:

Cindy Demers introduced the item and started with the Strategic Plan Tracker which leads in to the project management software for the strategic plan. Cindy Demers went through various points of the project management software for the Council and introduced the Council to the highlights of the software and how staff is and will be using it.

6. Development Review Process Update:

Cindy Demers began this discussion and focused on a few key things for discussion. She began the discussion by reviewing the current structure of Development Review in the City and then moved

into the proposed Development Services Office. This would be a combination of primary but not all development functions. She covered the primary functions of the office and the structure of the office. It would report directly to the Assistant City Manager with combined oversight and input from the Planning Director and Chief of Public Works Operations. It would be housed as a separate office in the McConico Building and would be made up of the following positions: Principal Planner (Brad Wiseman), Planner (Taylor Horton), Planning Technicians (Kami Fitzgerald, Christy Arrington), Engineer (David Freireich), Engineering Associate (Aneil Naik), Engineering Assistants (Laton Carr, Ryan Beardmore).

Lastly Ms. Demers led a philosophical discussion regarding development review.

4. Downtown Master Plan Update:

This item will be discussed at an upcoming Tuesday morning packet briefing.

ADJOURNMENT

There being no further business, the meeting adjourned at 5:05 p.m.

Respectfully Submitted,

Sara L. White, City Secretary